THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI U.V. KRISHNAM RAJU): (a) The Government of Andhra Pradesh has not sent any proposal to Central Government to allow withdrawal of rice from the FCI godowns within the State.

(b) Does not arise.

Clearance of sugarcane dues by sugar mills

1696. SHRI K. RAHMAN KHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the details of the quantum of dues the sugar mills in the country owe to the sugarcane growers, State-wise; and

(b) the steps taken to ensure clearance of dues by the sugar mills in a time bound programme to avert unhappy situation?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) A statement showing State-wise position of sugarcane price payable, price paid and the balance outstanding for the season 2001-2002, as on 30.9.2002 is annexed. (*See* below)

(b) The responsibility for ensuring timely payment of cane price dues lies with the State Governments which have necessary powers and field organizations to enforce such payments. The Central Government, on its part, besides writing to the State Governments from time to time for expeditious clearance of the same, has taken the following remedial measures to improve the financial health of domestic sugar industry with a view to enabling it to reduce the cane price arrears:

(i) The levy obligation of domestic sugar factories was reduced from 40% to 30% with effect from 01.01.2000 and, subsequently, to 15% with effect from 01.02.2001; this has further been reduced to 10% with effect from 01.03.2002 and will enable the sugar factories to sell more sugar under free sale quota in the open market and obtain better realization.

(ii) To restrict the inflow of imported sugar in the country, the Central Government (with effect from 09.02.2000) has increased the customs duty to 60% along with the existing countervailing duty of Rs. 850 per tonne.

(iii) The Central Government is pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious releases of free sale sugar quotas to enable the sugar factories to clear the cane price dues of the farmers.

(iv) In order to liquidate the stocks of the sugar mills, the Government has allowed export of sugar. The quantitative ceiling on export of sugar as well as the requirement of registration with Agricultural and Processed Food Products Export Development Authority (APEDA) have been dispensed with, with effect from 01.04.2001.

(v) In order to encourage the export of sugar, the Sugar Development Fund (SDF) Act, 1982 and the SDF Rules, 1983 have been amended, enabling reimbursement of the internal transport & freight charges on export shipments of sugar.

(vi) The Government has decided to create a buffer stock of 20 lakh tonnes of sugar for a period of one year. This will enable the sugar mills to get a subsidy amount of Rs. 412 crore from the Sugar Development Fund. In addition, an amount of Rs. 374 crores would be available from the banks to the mills on account of buffer stock. Thus, a total amount of Rs. 786 crores would be provided to the mills enabling them to clear the payment of cane price dues to the sugarcane growers. This will also help the sugar industry to mitigate the financial hardship.

Statement

State-wise position of cane price payable, price paid and balance outstandingfor cane purchased during 2001-2002 *season upto* 30-09-2002

(*Rs. in Lakh*)

State/zone	Total Price payable for cane purchased during 2001-2002 upto 30.09.2002	Cane Price paid upto 30.09.2002	Balance cane price payable as on 30.09.2002
1	2	3	4
Punjab	62,439.22	54,517.29	7,921.93
Haryana	66,023.79	60,992.79	5,031.00

1	2	3	4
Rajasthan	570.22	570.22	0.00
West UP	173,782.40	163,017.79	10,764.61
Central UP	198,668.62	170,675.14	27,993.48
East UP	136,923.80	119,369.76	17,554.04
TOTAL UP	509,374.82	453,062.69	56,312.13
Uttaranchal	42,839.64	38,851.00	3,988.64
Madhya Pradesh	4,266.21	3,970.12	296.09
South Gujarat	81,914.86	76,154.33	5,760.53
Saurashtra	0.00	0.00	0.00
TOTAL Gujarat	81,914.86	76,154.33	5,760.53
South Maharashtra	107,580.09	106,374.76	1,205.33
North Maharashtra	57,008.44	55,989.33	1,019.11
Cent - Maharashtra	100,030.19	96,469.68	3,560.51
TOTAL Maharashtra	264,618.72	258,833.77	5,784.95
North Bihar	33,138.85	30,124.58	3,014.27
South Bihar	0.00	0.00	0.00
TOTAL Bihar	33,138.85	30,124.58	3,014.27
Assam	117.06	113.06	4.00
Andhra Pradesh	81,247.69	78,539.45	2,708.24
Karnataka	98,880.00	90,746.00	8,134.00
Tamil Nadu	138,265.21	125,645.19	12,620.02
Kerala	392.44	392.41	0.03
Orissa	1,829.69	1,459.27	370.42
West Bengal	519.00	518.71	0.29
Nagaland	0.00	0.00	0.00
Pondicherry	2,865.43	2,851.23	14.20
Goa	639.43	639.43	0.00
ALL INDIA TOTAL	1,389,942.28	1,277,981.54	111,960.74